

1 thrifts, and CDFIs.

2 Section 10. Definitions. In this Act:

3 "Authority" means the Illinois Investment and Development
4 Authority.

5 "Community development financial institution" or "CDFI"
6 means an Illinois community development financial institution
7 certified in accordance with the federal Community
8 Development Banking and Financial Institutions Act of 1994
9 (Public Law 103-325) and accredited by the Authority under
10 Section 50 of this Act.

11 Section 15. Creation of Illinois Investment and
12 Development Authority; members.

13 (a) There is created a political subdivision, body
14 politic and corporate, to be known as the Illinois Investment
15 and Development Authority. The exercise by the Authority of
16 the powers conferred by law shall be an essential public
17 function. The governing powers of the Authority shall be
18 vested in a body consisting of 13 members, including, as ex
19 officio members, the State Treasurer, the Director of
20 Financial Institutions, the Commissioner of Banks and Real
21 Estate and the Director of Commerce and Community Affairs or
22 their designees. The other 9 members of the Authority shall
23 be appointed by the Governor, with the advice and consent of
24 the Senate, and shall be designated "public members". The
25 public members shall include representatives from banks and
26 other private financial services industries, community
27 development finance experts, small business development
28 experts, and other community leaders. Not more than 6
29 members of the Authority may be of the same political party.
30 The Chairperson of the Authority shall be designated by the
31 Governor from among its public members.

32 (b) Six members of the Authority shall constitute a

1 quorum. However, when a quorum of members of the Authority is
2 physically present at the meeting site, other Authority
3 members may participate in and act at any meeting through the
4 use of a conference telephone or other communications
5 equipment by means of which all persons participating in the
6 meeting can hear each other. Participation in such meeting
7 shall constitute attendance and presence in person at the
8 meeting of the person or persons so participating. All
9 official acts of the Authority shall require the approval of
10 at least 5 members.

11 (c) Of the members initially appointed by the Governor
12 pursuant to this Act, 3 shall serve until the third Monday in
13 January, 2004, 3 shall serve until the third Monday in
14 January, 2005, and 3 shall serve until the third Monday in
15 January, 2006 and all shall serve until their successors are
16 appointed and qualified. All successors shall hold office
17 for a term of 3 years commencing on the third Monday in
18 January of the year in which their term commences, except in
19 case of an appointment to fill a vacancy. Each member
20 appointed under this Section who is confirmed by the Senate
21 shall hold office during the specified term and until his or
22 her successor is appointed and qualified. In case of vacancy
23 in the office when the Senate is not in session, the Governor
24 may make a temporary appointment until the next meeting of
25 the Senate, when the Governor shall nominate such person to
26 fill the office, and any person so nominated who is confirmed
27 by the Senate, shall hold his or her office during the
28 remainder of the term and until his or her successor is
29 appointed and qualified.

30 (d) Members of the Authority shall not be entitled to
31 compensation for their services as members, but shall be
32 entitled to reimbursement for all necessary expenses incurred
33 in connection with the performance of their duties as
34 members.

1 (e) The Governor may remove any public member of the
2 Authority in case of incompetency, neglect of duty, or
3 malfeasance in office, after service on the member of a copy
4 of the written charges against him or her and an opportunity
5 to be publicly heard in person or by counsel in his or her
6 own defense upon not less than 10 days notice.

7 Section 20. Executive Director; other employees. The
8 members of the Authority shall appoint an Executive Director
9 to hold office at the pleasure of the members. The Executive
10 Director shall be the chief administrative and operational
11 officer of the Authority, shall direct and supervise its
12 administrative affairs and general management and perform
13 such other duties as may be prescribed from time to time by
14 the members, and shall receive compensation fixed by the
15 Authority. The Executive Director or any committee of the
16 members may carry out such responsibilities of the members as
17 the members by resolution may delegate. The Executive
18 Director shall attend all meetings of the Authority; however,
19 no action of the Authority shall be invalid on account of the
20 absence of the Executive Director from a meeting. The
21 Authority may engage the services of such other agents and
22 employees, including legal and technical experts and other
23 consultants, as it may deem advisable and may prescribe these
24 persons' duties and fix their compensation.

25 Section 25. Powers of Authority.

26 (a) The Authority possesses all the powers as a body
27 corporate necessary and convenient to accomplish the purposes
28 of this Act, including, without any intended limitation upon
29 the general powers hereby conferred, all of the following:

30 (1) To enter into loans, contracts, and agreements
31 in any matter connected with any of its corporate
32 purposes and to invest its funds.

1 (2) To sue and be sued.

2 (3) To employ those agents, employees, and
3 independent contractors necessary to carry out its
4 purposes, and to fix their compensation, their benefits,
5 and the terms and conditions of their employment.

6 (4) To have and use a common seal and to alter the
7 seal at pleasure.

8 (5) To adopt all needful resolutions, by-laws, and
9 rules for the conduct of its business and affairs.

10 (6) To have and exercise all powers and be subject
11 to all duties usually incident to boards of directors of
12 corporations.

13 (7) To adopt such rules and regulations as are
14 necessary to implement this Act.

15 (b) The Authority shall not have the power to levy taxes
16 for any purpose whatsoever.

17 Section 30. Office. The Authority may maintain an
18 office or branch office anywhere in this State and may
19 utilize, without the payment of rent, any office facilities
20 that the State may conveniently make available to the
21 Authority.

22 Section 35. Secretary; treasurer; funds.

23 (a) The Authority shall appoint a secretary and
24 treasurer, who may be a member or members of the Authority,
25 to hold office at the pleasure of the Authority. Before
26 entering upon the duties of the respective offices, the
27 person or persons shall take and subscribe to the
28 constitutional oath of office, and the treasurer shall
29 execute a bond with corporate sureties to be approved by the
30 Authority. The bond shall be payable to the Authority in
31 whatever penal sum may be directed by the Authority,
32 conditioned upon the faithful performance of the duties of

1 the office and the payment of all money received by him or
2 her according to law and the orders of the Authority. The
3 Authority may, at any time, require a new bond from the
4 treasurer in such penal sum as may then be determined by the
5 Authority. The obligation of the sureties shall not extend
6 to any loss sustained by the insolvency, failure, or closing
7 of any savings and loan association or national or state bank
8 wherein the treasurer has deposited funds if the bank or
9 savings and loan association has been approved by the
10 Authority as a depository for these funds. The oaths of
11 office and the treasurer's bond shall be filed in the
12 principal office of the Authority.

13 (b) All funds of the Authority, including without
14 limitation (i) grants or loans from the federal government,
15 the State, or any agency or instrumentality of the State or
16 federal government, (ii) fees, service charges, interest, or
17 other investment earnings on its funds, (iii) payments of
18 principal of and interest on loans of its funds, and (iv)
19 revenue from any other source, except funds the application
20 of which is otherwise specifically provided for by
21 appropriation, resolution, grant agreement, lease agreement,
22 loan agreement, indenture, mortgage, trust agreement, or
23 other agreement, may be held by the Authority in its treasury
24 and be generally available for expenditure by the Authority
25 for any of the purposes authorized by this Act.

26 (c) In addition to investments authorized by Section 2
27 of the Public Funds Investment Act, funds of the Authority
28 may be invested in (i) obligations issued by any state, unit
29 of local government, or school district, which obligations
30 are rated at the time of purchase by a national rating
31 service within the 2 highest rating classifications without
32 regard to any rating refinement or gradation by numerical or
33 other modifier, or (ii) equity securities of an investment
34 company registered under the federal Investment Company Act

1 of 1940 whose sole assets, other than cash and other
2 temporary investments, are obligations that are eligible
3 investments for the Authority, provided that not more than
4 20% of the assets of the investment company may consist of
5 unrated obligations of the type described in clause (i) of
6 this subsection (c) that the board of directors of the
7 investment company has determined to be of comparable quality
8 to rated obligations described in clause (i) of this
9 subsection (c).

10 (d) Moneys appropriated by the General Assembly to the
11 Authority shall be held in the State treasury unless the Act
12 making the appropriation specifically states that the moneys
13 are appropriated to the Authority's treasury. Such funds as
14 are authorized to be held in the Authority's treasury,
15 deposited in any bank or savings and loan association, and
16 placed in the name of the Authority shall be withdrawn or
17 paid out only by check or draft upon the bank or savings and
18 loan association, signed by the treasurer and countersigned
19 by the Chairperson of the Authority. The Authority may
20 designate any of its members or any officer or employee of
21 the Authority to affix the signature of the Chairperson and
22 may designate another to affix the signature of the treasurer
23 to any check or draft for payment of salaries or wages and
24 for payment of any other obligations of not more than \$2,500.
25 In case any person whose signature appears upon any check or
26 draft, issued pursuant to this Act, ceases to hold his or her
27 office before the delivery of the check or draft to the
28 payee, the signature nevertheless shall be valid and
29 sufficient for all purposes with the same effect as if the
30 person had remained in office until delivery of the check or
31 draft. A bank or savings and loan association may not
32 receive public funds as permitted by this Section unless it
33 has complied with the requirements established pursuant to
34 Section 6 of the Public Funds Investment Act.

1 Section 40. Conflict of interest.

2 (a) No member, officer, agent, or employee of the
3 Authority shall, in his or her own name or in the name of a
4 nominee, be an officer or director or hold an ownership
5 interest of more than 10% in any person, association, trust,
6 corporation, partnership, or other entity that is, in its own
7 name or in the name of a nominee, a party to a contract or
8 agreement upon which the member, officer, agent, or employee
9 may be called upon to act or vote. The prohibition of this
10 subsection (a) does not apply, however, to prohibit contracts
11 or agreements between the Authority and entities qualified
12 under Section 501 of the Internal Revenue Code of 1986 due to
13 a member of the Authority serving as an officer or director
14 of that entity.

15 (b) With respect to any direct or indirect interest,
16 other than an interest prohibited in subsection (a) of this
17 Section, in a contract or agreement upon which the member,
18 officer, agent, or employee may be called upon to act or
19 vote, a member, officer, agent, or employee of the Authority
20 shall disclose the interest to the secretary of the Authority
21 before the taking of final action by the Authority concerning
22 the contract or agreement and shall so disclose the nature
23 and extent of the interest and his or her acquisition of it,
24 and those disclosures shall be publicly acknowledged by the
25 Authority and entered upon the minutes of the Authority. If
26 a member, officer, agent, or employee of the Authority holds
27 such an interest, then he or she shall refrain (i) from any
28 further official involvement in regard to the contract or
29 agreement, (ii) from voting on any matter pertaining to the
30 contract or agreement, and (iii) from communicating with
31 members of the Authority or its officers, agents, and
32 employees concerning the contract or agreement.
33 Notwithstanding any other provision of law, any contract or
34 agreement entered into in conformity with this subsection (b)

1 shall not be void or invalid by reason of the interest
2 described in this subsection (b), nor shall any person so
3 disclosing the interest and refraining from further official
4 involvement as provided in this subsection (b) be guilty of
5 an offense, be removed from office, or be subject to any
6 other penalty on account of that interest.

7 (c) Any contract or agreement made in violation of
8 subsection (a) or (b) of this Section shall be null and void,
9 but shall not give rise to any action against the Authority.

10 Section 45. Audit; fiscal year; report. The accounts
11 and books of the Authority, including its receipts,
12 disbursements, contracts, and other matters relating to its
13 finances, operation, and affairs shall be examined and
14 audited at least once within each 2-year period by a firm of
15 certified public accountants, who shall certify its audit to
16 the State Comptroller. The fiscal year for the Authority
17 shall commence on July 1. As soon after the end of each
18 fiscal year as may be expedient, the Authority shall cause to
19 be prepared and printed a complete report and financial
20 statement of its operations and of its assets and
21 liabilities. A reasonably sufficient number of copies of
22 this report shall be printed for distribution to persons
23 interested, upon request, and a copy of the report shall be
24 filed with the Governor, the Secretary of State, the State
25 Comptroller, the Secretary of the Senate, and the Clerk of
26 the House of Representatives.

27 Section 50. Accreditation.

28 (a) A CDFI must be accredited by the Authority in order
29 to receive assistance from the Authority, unless otherwise
30 specified in this Act. The Authority may revoke accreditation
31 from a CDFI that no longer meets the Authority's
32 accreditation criteria. Accreditation of a CDFI under this

1 Act does not, in and of itself, qualify the CDFI to
2 participate in a financing program administered by the
3 Authority.

4 (b) Authority criteria for accreditation must include
5 certification under the federal Community Development Banking
6 and Financial Institutions Act of 1994 (Public Law 103-325)
7 and any other criteria that the Authority deems appropriate.

8 (c) The Authority shall accredit CDFIs in a manner to
9 ensure the use of CDFIs in all geographic regions of this
10 State to the greatest extent possible.

11 Section 55. Authority's responsibilities.

12 (a) The Authority shall provide technical assistance to
13 CDFIs to (i) expand the financial services the CDFI sector
14 offers, such as micro-business lending, facilities financing,
15 low income housing financing, mortgage lending, and personal
16 financial services for low income persons, (ii) encourage the
17 establishment of CDFIs, and (iii) provide technical
18 assistance and training to CDFIs' borrowers.

19 (b) The Authority may make grants and low-rate loans to
20 CDFIs so that CDFIs may fill a credit gap by engaging in
21 below market rate financing in economically disadvantaged
22 communities and to low income people. As part of a grant or
23 loan agreement, a CDFI may request and the Authority may
24 consent to having the grant or loan proceeds paid directly to
25 a CDFI's creditor. As part of a loan agreement, the
26 Authority may require additional security from the CDFI,
27 including without limitation a pledge of a certain percentage
28 of the CDFI's assets or future earnings.

29 Section 60. Authority grants. Notwithstanding the
30 provisions of subsection (b) of Section 50, the Authority may
31 issue grants to CDFIs or to nonprofit organizations that are
32 attempting to obtain federal certification or Authority

1 accreditation as a CDFI. The Authority may issue, in a
2 manner consistent with subsection (c) of Section 50 of this
3 Act, grants for the purpose of developing or enhancing the
4 ability of the CDFI or nonprofit organization to be
5 accredited as a CDFI under Section 50 of this Act and to
6 receive loans from the Authority under Section 65 of this
7 Act. The Authority may also issue grants or loans to
8 nonprofit organizations that have entered into a written
9 contract with a CDFI or a nonprofit organization receiving
10 grants from the Authority to obtain federal certification or
11 Authority accreditation as a CDFI.

12 In areas of this State where no CDFI exists and no
13 nonprofit organization is working to obtain certification or
14 accreditation as a CDFI, the Authority may issue grants to a
15 nonprofit organization deemed by the Authority to be
16 performing activities consistent with the goals of the
17 federal Community Development Banking and Financial
18 Institutions Act of 1994 (Public Law 103-325). The grants
19 shall be used by the nonprofit organization to provide
20 technical assistance, training, or other support to small
21 businesses or other for-profit or not-for-profit
22 organizations.

23 Section 65. Authority loans. The Authority may make
24 loans to CDFIs, from moneys appropriated for this purpose, on
25 such terms and conditions as the Authority may determine.
26 Loans to CDFIs may be made by the Authority as the sole
27 lender or in cooperation with participating investors
28 pursuant to agreements entered into in accordance with this
29 Act. Loan repayments shall be used by the Authority to make
30 new loans to CDFIs.

31 Section 70. Community development loans.

32 (a) CDFIs that receive loans from the Authority under

1 Section 65 of this Act shall make and use community
2 development loans pursuant to guidelines established by the
3 Authority. The guidelines shall include criteria for the
4 approval of a portfolio of loans submitted by CDFIs.

5 (b) In connection with community development loans under
6 this Section, the recipient of a loan must provide
7 certification to the Authority that the recipient does not
8 have any outstanding debts in the form of delinquent real
9 estate taxes or utility bills that are more than one year
10 outstanding.

11 Section 75. Report to General Assembly. Within 90 days
12 after the end of each fiscal year, the Authority shall
13 prepare a report for that fiscal year and file it with the
14 General Assembly as provided in Section 3.1 of the General
15 Assembly Organization Act. The report shall include the
16 amount of funds appropriated to the Authority that were
17 deposited by the Authority in special accounts in banks or
18 trust companies, the amount of disbursements made from the
19 special accounts, the number, name, and location of CDFIs
20 accredited by the Authority, and the number and amount of
21 grants to CDFIs or nonprofit organizations."